

Neal Opening Statement at Select Revenue Measures Subcommittee Hearing on How Recent Limitations to the SALT Deduction Harm Communities, Schools, First Responders, and Housing Values

Mr. Thompson, I want to thank you and the other members of the Subcommittee on Select Revenue Measures for indulging me with some time to speak at this important hearing. Your leadership on both this Committee and the SALT working group has proven invaluable to the Congress.

I wanted to take just a few minutes of time to express my appreciation to the witnesses who have come to share their testimony today. It's a rare occasion here in Congress that we get to hear from the hard-working folks who make up our state and local governments. As the former mayor of Springfield, I can tell you from first hand experience how important the work all of you do is.

It is from that lens that I view the issue of the state and local tax deduction, or SALT as we call it. I view it from the vantage point of someone whose life experience has been a testament to the far-reaching impact that the investments made, and services provided, by local governments can have on the lives of its citizens.

Ensuring that children from all walks of life are provided with a high-quality education. Revitalizing economically downtrodden neighborhoods. Building and maintaining roads, bridges, and tunnels so that people can get where they need to go safely and efficiently. Responding to emergencies, providing services for low-income families, the elderly, and countless others who rely on a safety net. This is what local government does.

And Mr. Thompson, that's why the work you, Mr. Pascrell, and the rest of the Members here who are working so tirelessly on this issue of the SALT cap, is important. And it's the reason the good folks before us have come here to testify: mayors, commissioners, school superintendents, first responders- you understand

what our state and local taxes support. You understand what it means for the Federal government to undercut that good work you do, by imposing a cap on that deduction. It's the wrong policy, and we need to work to find a solution.

Don't take it from me. Take it from Alexander Hamilton, who wrote in Federalist 31: *"Revenue is as requisite to the purposes of the local administrations as to those of the Union; and the former are at least of equal importance with the latter to the happiness of the people."* With the creation of a strong central government, he warned against the risk that *"in order to give efficacy to the national revenues... all the resources of taxation might by degrees become the subjects of federal monopoly, to the entire exclusion and destruction of the State governments."*

We must ensure that our State and local governments continue to thrive. Thank you to everyone who is here today, in support of that effort.